Document No. 4307
Adopted at Meeting of 5/25/83

RESOLUTION OF THE BOSTON REDEVELOPMENT AUTHORITY
RE: TENTATIVE DESIGNATION OF REDEVELOPER
ROWES/FOSTERS WHARF
IN THE WATERFRONT URBAN RENEWAL AREA
PROJECT NO. MASS. R-77

WHEREAS, the Boston Redevelopment Authority,(hereinafter referred to as the "Authority"), has entered into a contract for loan and capital grant with the Federal Government under Title I of the Housing Act of 1949, as amended, which contract provides for financial assistance in the hereinafter identified Project; and

WHEREAS, the Urban Renewal Plan for the Waterfront Urban Renewal Area, Project No. Mass. R-77, (hereinafter referred to as the "Project Area"), has been duly reviewed and approved in full compliance with local, State and Federal law; and

WHEREAS, the Authority is cognizant of the conditions that are imposed in the undertaking and carrying out of urban renewal projects with Federal financial assistance under said Title I, including those prohibiting discrimination because of race, color, sex, religion or national origin, and

WHEREAS, Rowes Wharf Company has expressed an interest in and has submitted a satisfactory proposal for the development of Rowes/Fosters Wharf in the Waterfront Urban Renewal Area; and

WHEREAS, the Authority is cognizant of Chapter 30, Section 61 and 62 of the Massachusetts General Laws, as amended, with respect to minimizing and preventing damage to the environment:

NOW, THEREFORE, BE IT RESOLVED BY THE BOSTON REDEVELOPMENT AUTHORITY:

1. That Rowes Wharf Company be and hereby is tentatively designated as Redeveloper of Rowes/Fosters Wharf in the Waterfront Urban Renewal Area subject to:

   (a) Concurrence in the proposed disposal transaction by the Department of Housing and Urban Development, if necessary;

   (b) Publication of all public disclosure and issurance of all approvals required by the Massachusetts General Laws and Title I of the Housing Act of 1949, as amended;

   (c) Submission by the Redeveloper to the Authority within thirty (30) days of a letter of intent in which the Redeveloper agrees to comply with the following Lease provisions and acknowledgements:

(i) The Lease Commencement Agreement will be executed within ninety (90) days of tentative designation and the developer further agrees to comply with all the requirements necessary for final designation and Lease Execution within one hundred eighty (180) days of execution of Lease Commencement Agreement.

(ii) The Lease commencement date is agreed to be simultaneous with Final Designation and said Lease will be for a term of one hundred (100) years for the residential portion and eighty (80) years for the commercial portion.

(iii) The Lease base rental of $2,000,000 annually will commence at Lease Commencement Date and the Lease shall provide for a Percentage Rental of 10% of annual net cash flow payable monthly in advance and additional income requirements detailed in the Lease Commencement Agreement Summary attached.

(iv) The Redeveloper agrees that the monthly rental of the parking lot and boating operations will continue to be paid the Authority until the actual commencement of construction.

(v) The Letter of Intent shall include a provision that no building on the site can exceed one hundred sixty-five (165) feet in height and shall also include such other terms and conditions as the Director deems appriopriate and in the best interest of the Authority including summary terms of the leasehold agreement as attached hereto.

(d) Submission within one hundred eighty (180) days in a form satisfactory to the Authority of:

(i) Evidence of the availability of necessary financing for the project; and

(ii) Preliminary working drawings and outline specifications consistent with this designation and the controls of the Waterfront Urban Renewal Plan.

2. That disposal of Rowes/Fosters Wharf by negotiation is the appropriate method of making the land available for redevelopment.

3. That it is hereby determined that Rowes Wharf Company possess the qualifications and financial resources necessary to acquire and develop the land in accordance with the Urban Renewal Plan for the Area.

4. That it is hereby found and determined that the proposed development will not result in significant damage to or impairment of the environment and further, that all practicable and feasible means and measures have been taken and are being utilized to avoid or minimize damage to the environment.

5. That the Director is authorized to issue a license to Rowes Wharf Company for early entry to the site for test borings and other related survey work prior to final designation and to execute a Letter of Intent and a Lease Commencement Agreement incorporating the above terms and conditions.

6. That the Secretary is hereby authorized and directed to publish notice of the proposed disposal transaction in accordance with Section 105(E) of the Housing Act of 1949, as amended, including information with respect to the "Redeveloper's Statement for Public Disclosure" (Federal Form H-60040).

ROWES/FOSTERS WHARF LEASE COMMENCEMENT AGREEMENT SUMMARY

Within 90 days of Tentative Designation, the Rowes Wharf Company and the Boston Redevelopment Authority (BRA) must enter into a Lease Commencement Agreement containing the conditions of Final Designation. The Lease Commencement Agreement will be based on the terms and conditions specified below, which will become effective upon Final Designation.

PROPERTY:	Rowes/Fosters Wharf, as designated by Lessor
LESSOR:	BRA
LESSEE:	Rowes Wharf Company
TERM:	For Residential Portion of Property, 100 years with renewal options. For Commercial Portion of Property, 80 years without renewals.
RESIDENTIAL PORTION:	Condominium units, condominium parking spaces, and any area directly related to the condominium units and parking.
COMMERCIAL PORTION:	All public areas, all commercial parking, all office and retail space, all terminal space and all areas related to the above uses.
FINAL DESIGNATION:	Not more than 180 days from the execution of the Lease Commencement Agreement, subject to extension by mutual agreement of Lessor and Lessee.
LEASE COMMENCEMENT DATE:	Simultaneous with Final Designation.
NET RENT:	A. Base Rent for Residential Portion - $900,000 per annum payable monthly in advance, commencing at the Lease Commencement Date. On the fifth anniversary of the Lease Commencement Date, Base Rent is adjusted by 50% of the cumulative CPI over the preceeding five years; and on the sixth anniversary, and every year thereafter, base rent is adjusted by 50% of the prior year's CPI. B. Base Rent for Commercial Portion - $1,100,000 per annum payable monthly in advance, commencing at the Lease Commencement Date.

C. Percentage Rent for Commercial Portion - 10% of annual Net Cash Flow payable monthly in advance based on a budget prepared annually and submitted to Lessor not less than 60 days prior to the beginning of each fiscal year. Annual Net Cash Flow will be calculated by subtracting the following items from effective gross income: certified operating expenses, real estate taxes, Base Rent, and an annual amount equal to 12.5% of certified total project costs. Within 90 days of the end of each fiscal year, Lessee must submit a calculation of Percentage Rent for that year certified by a CPA acceptable to Lessor and must make a payment, or receive a credit, of Percentage Rent based on the certified statement. Until the annual Percentage Rent amount is certified, and payments and credits are allocated, the monthly Percentage Rent payment in any fiscal year must be no less than one-twelfth of the Percentage Rent payable in the previous fiscal year.

OPTION TO PURCHASE: Each condominium unit will have an option to purchase the fee interest in the land or airrights relating to its unit from the Lessor on the fifth anniversary of the Lease Commencement Date. The purchase price will be equal to its pro rata portion of $10,000,000 valued in the year of the Lease Commencement Date, escalated annually by 50% of CPI. The purchase price will be paid by granting the Lessor a 70-year first mortgage on the condominium unit in the full amount of the purchase price with interest payable of the then current prevailing first mortgage rate such interest rate to be adjusted thereafter if such adjustment is customary at that time.

SUBORDINATION: Lessor's fee interest in the Property will not be subordinated. Lessor's Base Rent for the Residential Portion and for Commercial Portion will not be subordinated. Percentage Rent for the Commercial Portion will not be subordinated. In the event of a foreclosure, the Lessor will waive Percentage Rent for five years if Net Cash Flow is not available.

FINANCING: Any initial permanent financing for the Commercial Portion may not exceed certified total project costs.

REFINANCING: Lessor will receive as Additional Rent 10% of net refinancing proceeds upon refinancing of the Commercial Portion.

3 SALE: Lessor will receive as Additional Rent 10% of net sales proceeds upon sale of the Commercial Portion.

RESIDENTIAL CONDOMINIUM SALES PARTICIPATION:	Lessor will receive as Sales Participation 10% of Residential Condominium gross sales above $295/NSF upon Lessee initial sale of Residential Condominium.
ALIENATION:	Lessee may not dispose of its interest in the Commercial Portion for five years after issuance of a final certificate of occupancy. Thereafter, Lessee may not dispose of its interest in the Commercial Portion without the written consent of Lessor, such consent not to be unreasonably withheld.
ESTOPPEL CERTIFICATE:	Lessor agrees to provide any lender that notifies the Lessor of its mortgage interest with an Estoppel Certificate granting such lender notice of default and right to cure as may reasonably be required.
CONSTRUCTION OF IMPROVEMENTS:	Lessee must construct improvements on the Property in accordance with plans and specifications approved by Lessor as part of Lessee's Final Designation within 36 months of such Designation. Phasing of the improvements will not be permitted by the Lessor. Maximum height must not exceed 165 feet.
BOOKS AND RECORDS:	Lessee must provide Lessor with a statement of project costs computed in accordance with the Land Lease, certified by a CPA, and approved by the Lessor, within 120 days of issuance of a final certificate of occupancy. Lessor will use industry standards as a guide to Lessor's approval. In addition to the reports required for the Percentage Rent calculation, Lessee must provide Lessor with a statement of operation for the Commercial Portion certified by a CPA, and approved by the Lessor, within 90 days of the close of each fiscal year. Lessor will use industry standards as a guide to Lessor's approval.
SURFACE PARKING AND BOATING:	The existing temporary parking use and boating use on the Property must continue until the commencement of construction and all rent payable during this time will continue to be paid directly to the Lessor. The Lessee must provide access and space to allow the boating use to continue during the construction period.
AFFIRMATIVE ACTION:	Lessee must comply with the Mayor's Executive Order concerning Affirmative Action goals for construction employment, permanent employment and minority business contracting. The Lessor will assist the Lessee in meeting these goals.

REAL ESTATE TAXES: The Property will be fully taxable by the Assessor of the City of Boston at applicable rates.

LIABILITY: Lessor and the City of Boston will not incur any expenses in the development of the Property. The Property will be leased in an "as is" condition. Lessee will pay for the cost of any utility relocation not paid by any utility company.

The Commonwealth of Massachusetts
Executive Office of Environmental Affairs
100 Cambridge Street
Boston, Massachusetts 02202

COASTAL ZONE
MANAGEMENT

Rowes

July 16, 1982

RECEIVED DIRECTOR'S OFFICE
BOSTON REDEVELOPMENT AUTHORIT
JULY 20, 1982

Robert J. Ryan
Deputy Mayor
City of Boston
Boston City Hall
Boston, Massachusetts

Dear Mr. Ryan:

We were encouraged to learn that the City's redevelopment plans for Rowes and Foster Wharves incorporate ample opportunities for public access to and along the waterfront. As you know, Massachusetts Coastal Zone Management policies promote public waterfront access though the types of public amenities the Boston Redevelopment Authority has incorporated into the design and development kits for this project.

A number of the plan's attributes (the development of the water transportation terminal, easements for public walkways; the development of a minipark, and the imposition of height restrictions to maximize views of the water) are in accord with the City's publicly stated goal of making more of the waterfront accessible to the general public. We have endorsed this goal from its inception. Early incorporation of public access provisions as an essential part of the project and not an afterthought clearly enhances the plan's likelihood of successful implementation.

We applaud the BRA's commitment to public access planning in this project, and offer our assistance to you throughout the developer selection and review stages to ensure an expeditious review of the project. Feel free to contact Marjorie O'Malley of my staff if we may assist you in any way.

Sincerely,

Richard F. Delaney

Richard F. Delaney
Director

RFD:MO:sla

MEMORANDUM

MAY 25, 1983

(Taken Under Advisement May 12, 1983)

TO: BOSTON REDEVELOPMENT AUTHORITY

FROM: ROBERT J. RYAN, DIRECTOR

SUBJECT: DOWNTOWN WATERFRONT FANEUIL HALL PROJECT, MASS. R-77
TENTATIVE DESIGNATION OF REDEVELOPER ROWES/FOSTERS WHARF

Rowes and Fosters Wharf, comprising approximately 160,000 square feet of land and decking, is one of the Authority's remaining prime waterfront locations and is located adjacent to the Harbor Towers development and the Atlantic Building renovation project, on Atlantic Avenue and has a prime vista directly down the main ship channel. Rowes Wharf was acquired in 1969 to ensure the bulkhead areas could be constructed that were necessary for the planned Harbor Towers development. The site was tentatively designated to John Carzis, the former owner of the parcel. However, neither Mr. Carzis nor his joint venturers were able to submit satisfactory plans and financing for this complex site which, even in the late 1970s, included condominium development. The Authority subsequently rescinded that designation.

As you will recall, the Authority, in 1979, established a harbor planning task force to undertake a comprehensive public planning process for these and other remaining wharves along the waterfront. This master planning process involved the retention of Sasaki Associates as consultant, who undertook, with the Authority, a complex public participation process involving a series of public workshops with active participation from all those who were interested in the waterfront. The culmination of those workshops was the master planning study entitled, "Boston Harbor Challenges and Opportunities for the 1980s". The goals, objectives, and policies of this plan resulting from this public process, laid out in detail in that report, became the Authority's basic criteria for Rowes/Fosters Wharf and, with the advice and direct involvement of the Boston Society of Architects, the Authority refined these design criteria and restrictions and incorporated these guidelines in a publicly advertised development kit.

As a result of this solicitation of development interest for a mixed-use development including office and residential space, the Authority initially received eight preliminary proposals. As the result of the Authority's second stage design development guidelines, two of these development entities, one with Ronald Nicholson as principal and I. M. Pei as architect, and the other with Norman Leventhal and the Beacon Companies as principal and Skidmore, Owings and Merrill as architect, submitted more detailed proposals.

Each of the proposals was subject to intensive design review process by the Authority. Each of the proposals met the requirements for active commercial retail uses on the first floor, including restaurants, and provided required boat terminal uses and indoor ticketing, as well as preserving the open space requirements and the public access along the water's edge, resulting in approximately 665,000 square feet of combined office and residential space for a floor area ratio (FAR) of 4. All parking is provided below-grade, which maximizes the open space and pedestrian movement within the parcel. The State Executive Office of Environmental Affairs applauded the Authority's design guidelines for their commitment to public access planning for the wharf including public walkways, mini-parks, and restrictions to maximize views of the water.

The submission of the Rowes Wharf Company with Beacon Companies as principals and Skidmore, Owings and Merrill as architect, is consistent with all of the Authority's objectives and is recommended for tentative designation. Their submission is superior in particular regard to the amount and quality of public accesses and public open space. The principals and the architect have demonstrated strong sensitivity to all of the Authority's controls concerning public accesses and other amenities.

The principals of Norman Leventhal and the Beacon Companies have completed major downtown developments such as One, Two, Three Center Plaza; the Post Office Square office building; and conversion of the Federal Reserve Bank into the Meridien Hotel; and about 5,000 units of housing including the Blake Estates in Hyde Park.

This proposal consists of 840,500 square feet of space of which 665,000 square feet is above ground, with the balance in parking below ground. This proposal consists of 265,000 gross square feet of office space; 250 condominium units; 17,000 gross square feet of retail space; and an 8,000 square foot indoor boat terminal. The total development cost of the project is approximately one hundred thirty million dollars. The development will produce over 2,000 in construction jobs; over 1,000 permanent jobs in the office and retail elements; and will produce over two million dollars in additional tax revenue to the city annually, from a site that has been under-utilized vacant land for years.

The project involves an elaborate system of public walkways with the Walk-By-The-Sea continuing around the site's entire perimeter and connecting to Harbor Towers on the north and the Four Hundred Atlantic Avenue walkway on the south.

The ferry terminal pavilion is designed as the project's identifying landmark highly visible from the land and sea. The developer has agreed that the present excursion boats and water-related activities will continue during the construction and will be shifted on the site so as not to be adversely interrupted during the construction activities. Such water-related transportation uses are assured and will continue in the completed development.

The building materials to be used will be those of the traditional Downtown Waterfront district including granite and red brick. The residential building on the wharfs are designed to provide a continuity of the "finger-like" nature of the historic piers of the waterfront. Extensive on-site paving will also be of brick and granite, with extensive landscaping with trees and other plantings. The developer's improvements will continue off-site with sidewalk widening and extend across the under artery to Broad Street and High Street with additional planting, lighting, and maintenance responsibiilties.

The successful design of the ferry terminal and public walkways into this development will make the Rowes/Fosters Wharf Project a significant example of the integration of public-private uses within a single development scheme.

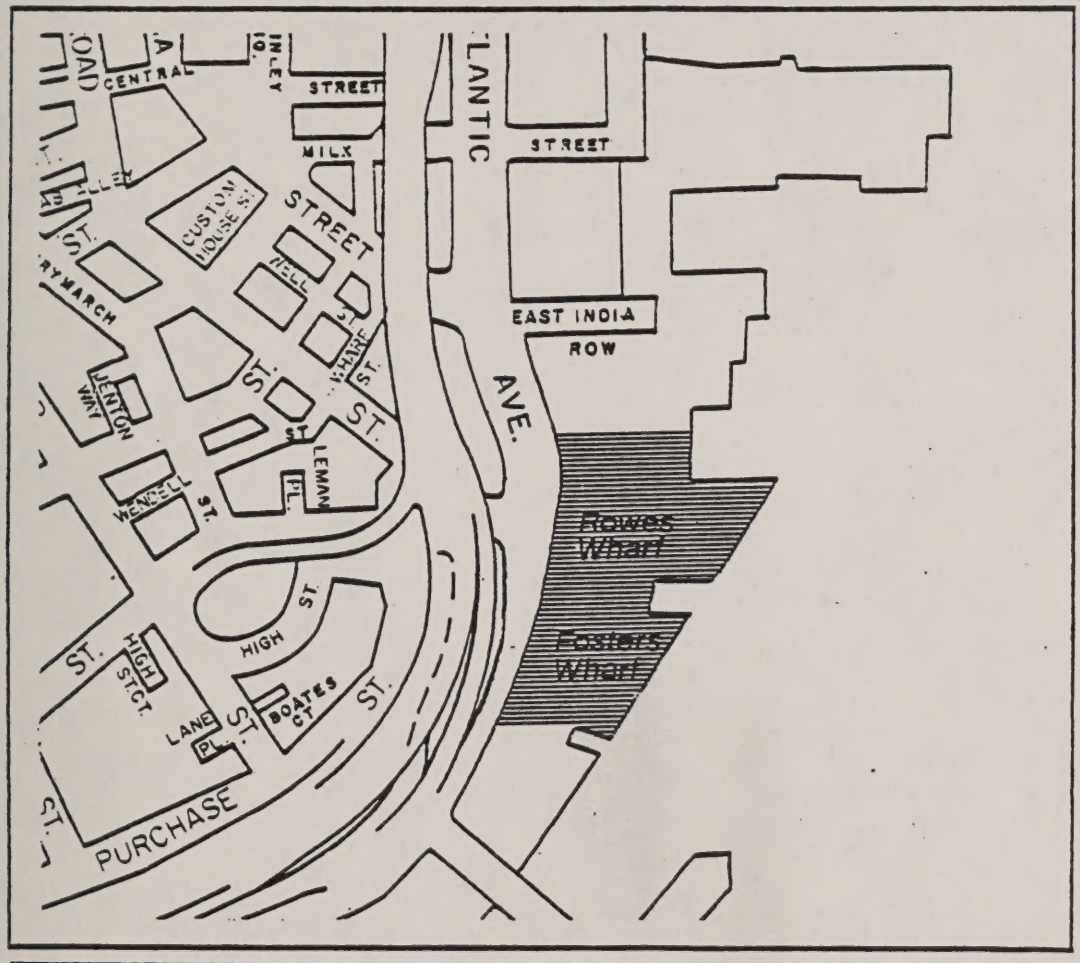
As a result of the tentative designation, the project will go through further intensive design review, as design review by its very nature is a continuing process. During this period, all additional urban design and environmental factors will be reviewed in detail and the public planning process resulting in the Sasaki report will continue and we will get the continued advice of those interested in the waterfront, such as the Waterfront Residents' Association, the Boston Harbor Associates, the input of the Waterfront Commission and the continuing involvement of the Boston Society of Architects and Sasaki Associates.

The disposition will be by long-term lease, with the designated developer required to enter into a lease commencement agreement within ninety days of tentative designation. Said agreement will require they achieve all requirements of final designation, including full compliance with the State Environmental Impact requirements, within one hundred eighty days of the lease commencement agreement, with an anticipated construction start in the early Spring of 1984.

As part of this designation, the Authority will establish a mechanism whereby annually a half million dollars of the annual lease payments will be dedicated to completing housing development activities in urban renewal areas which are geared to producing low to moderate income housing.

The property will be leased in an "as is" condition, with the designated developer being required to pay for all so-called premium costs, estimated at approximately nine million dollars, related to waterfront development, including those incremental costs related to building on piles, building underground parking, boating terminals and public access areas.

Accordingly, it is recommended that the Authority, by adoption of the attached Resolution, tentatively designate Rowes Wharf Company, with Norman Leventhal and the Beacon Companies as principal and Skidmore, Owings and Merrill as architect, as redeveloper of Rowes/Fosters Wharf in the Waterfront Project.



BOSTON REDEVELOPMENT AUTHORITY

ROWES/ FOSTERS WHARF